

A G E N D A



Recommendation for Council Action

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| Austin City Council | Item ID | 19952 | Agenda Number | 39. |
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|---------------|-----------|-------------|--------------|
| Meeting Date: | 11/8/2012 | Department: | Public Works |
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Subject

Approve a resolution declaring the City of Austin's official intent to reimburse itself from Contractual Obligations in the amount of \$3,347,000 for the purchase of vehicles and equipment necessary for street and transportation system maintenance. Related to Item # 40.

Amount and Source of Funding

\$3,347,000 in Contractual Obligations to be issued no earlier than Fiscal Year 2012-2013.

Fiscal Note

A fiscal note is attached.

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| Purchasing Language: | |
| Prior Council Action: | |
| For More Information: | Susan Cox, Public Works 974-7625; Kimberly Springer, Budget Office 974-2924; Susan Garnett, Public Works 974-7064 |
| Boards and Commission Action: | |
| MBE / WBE: | |
| Related Items: | |

Additional Backup Information

The Public Works Department requests approval, in accordance with Federal Treasury Regulations, of an Official Declaration of Intent to Reimburse costs for the purchase of vehicles and equipment necessary for street and transportation system maintenance.

For the City to spend money today, but reimburse itself from the issuance of debt obligations in the future, a reimbursement resolution is required by state and federal law. The resolution must contain certain information and is generally drafted by bond counsel to protect the tax-exempt status of the future issuance. The resolution must be passed not more than 60 days after the date that the cost to be reimbursed is paid. Failure to adopt a qualified declaration of official intent will prohibit the City from reimbursing the cost with the proceeds of tax exempt obligations. Reimbursement bonds generally must be issued 18 months after the later of, the date the expenditure was made, or the date that the project, with respect to which the expenditure was made, is placed in service.